

FINE GEDDIE

GOVERNMENT RELATIONS

THE FINE GEDDIE REPORT 2017 REGULAR SESSION · WEEK NINE APRIL 21, 2017

SPECIAL ELECTION SET FOR U.S. SENATE SEAT

On Tuesday, Gov. Ivey announced that a special election will be held for the U.S. Senate seat previously held by former Senator Jeff Sessions, which he vacated upon his appointment as Attorney General of the United States. Former Alabama Attorney General Luther Strange was appointed to the position by Gov. Bentley in February.

Alabama law states that an election must be called “forthwith” in the event of a vacant U.S. Senate seat. Bentley had decided that Strange would stand for election during the next regularly-scheduled Republican Primary in June 2018, with a General Election in November 2018. Ivey’s change in direction this week was a bit of a surprise given her comments last week that the special election would cost the state approximately \$15 million. In announcing her decision, she said that the law clearly states that people should be able to vote on a senator as soon as possible.

The Republican Primary will be held on August 15, 2017 and, if necessary, a runoff will be held September 26. The General Election will be December 12.

In addition to Senator Luther Strange, many others have shown interest in the race including State Rep. Ed Henry (R—Hartselle), Sen. Slade Blackwell (R—Mountain Brook) and Senate President Pro-Tem Del Marsh (R—Anniston), who is now the second-ranking Republican in state government.

The candidate filing deadline for the race is May 17.

THIS WEEK IN THE HOUSE

On Tuesday, the House tackled a long agenda. Among the bills approved was the Fantasy Contest Act, which would authorize and set up a regulatory structure for fantasy contests. [HB354](#) by Rep. Boothe (R—Troy) was approved by a vote of 43-38 and has been referred to the Senate Tourism and Marketing Committee.

Legislation to renew the tax credit program for rehabilitation of historical structures was approved 95-7. [HB345](#) by Rep. Gaston has been referred to the Senate Finance and Taxation Committee on the Education Trust Fund.

On Thursday, the House had a long agenda, but adjourned after passing three bills, one of which was legislation to require employers to provide health care benefits for certain autism therapy. [HB284](#) by Rep. Patterson (R—Huntsville) was approved unanimously with the support of Speaker McCutcheon (R—Monrovia). House leadership’s endorsement of the private-sector mandate signifies a departure from pro-business philosophy.

While health insurance companies must offer companies the option of providing certain coverage for autism in developing their plans pursuant to state statute passed in 2012, the bill would go the additional step of requiring employers to provide those benefits, rather than allowing employers to decide what healthcare benefits they would like to offer employees. Furthermore, the

bill broadens the scope of autism benefits required to be offered under current law to include Applied Behavior Analysis therapy.

The legislation has prompted debate over the amount of control government should have over employers, particularly private businesses. Because autism has a tremendous impact on many families, the measure is equally sensitive and consequently prompts the question of whether coverage of other medical conditions should be mandated as well.

In addition to being a private-sector mandate, the bill includes coverage for Medicaid and both state employee health insurance programs, making the House's approval of the measure ironic. Earlier in the session, the House approved a General Fund budget that, instead of a pay increase for state employees and teachers, directed state funds to cover the increased cost of health insurance premiums so that employees would not directly and individually bear those additional costs. That decision made by budget leadership, however, was a point of much contention. Because the burden of mandated coverage of autism benefits will certainly increase health insurance premiums across the board, the mandate would effectively serve as a self-imposed obstacle to state employee pay raises in the future or require an increased financial burden on state employees, including teachers.

The bill has not yet been referred to a Senate committee.

THIS WEEK IN THE SENATE

The Senate pursued core-conservative agendas on both Tuesday and Thursday of this week. After using procedural mechanisms to end debate and effectively prevent Democratic-led filibusters on nearly every bill on the calendar, the Senate approved legislation to repeal current permit requirements for concealed handguns ([SB24](#) by Sen. Allen (R—Tuscaloosa)); the Child Placing Agency Inclusion Act to prevent discriminatory policies related to child placement ([HB24](#) by Rep. Wingo (R—Tuscaloosa)); and the Assisted Suicide Ban Act ([HB96](#) by Rep. Butler (R—Sweetwater)). Because Thursday was “Pro-Life Day” at the statehouse, the Senate also approved measures related to abortion.

MEDICAID FRAUD BILL NOT A PRIORITY OF THE ATTORNEY GENERAL THIS SESSION

On Wednesday, the Senate Finance and Taxation Committee on the General Fund held a public hearing on the proposed **Alabama Medicaid False Claims Act**. The bill, [SB367](#) by Sen. Pittman (R—Fairhope), would create a state *qui tam* cause of action for Medicaid fraud. The legislation was a priority of the previous Attorney General and first pursued during the last regular legislative session. Though an attorney from the Attorney General's office testified about the factual merits of the legislation, we have received confirmation that the legislation is not a priority of the Attorney General's office this session and that the office is willing to work with stakeholders on the measure in the future.

However, Sen. Pittman, Chairman of the Senate Finance and Taxation Committee, has scheduled the bill for consideration by the committee on April 26.

ECONOMIC DEVELOPMENT BILLS SEND MIXED MESSAGES

Yesterday, two bills related to tax incentive programs administered by the State Department of Commerce were introduced. [SB373](#) by Sen. Pittman (R—Fairhope) would amend and extend authorization of the tax credits under the Alabama Jobs Act, passed in 2015, to exempt certain projects from the \$850 million aggregate balance cap on incentives. The current law provides for such incentives until December 2019, but the bill would extend that authorization to 2023. Additionally, the bill would allow the Department of Commerce to offer tax incentives in an amount beyond the \$850 million cap when the projects would employ (and create jobs for) at least 500 employees and includes a capital investment by the recipient of \$100 million or more.

On the other hand, [SB377](#) by Sen. Marsh would repeal the Alabama New Markets Development Act.

The House and Senate will reconvene on Tuesday, April 25. There are 11 meeting days remaining in the 2017 Regular Session.